

June 17, 2013

The Randolph County Board of Commissioners met at 6:00 p.m. for a special budget session in the Meeting Room of the 1909 Historic Courthouse, 145 Worth St., Asheboro, NC. Commissioners Holmes, Frye, Kemp, Haywood and Lanier were present.

Change to Agenda

Chairman Holmes announced that *Item A. Consideration of Economic Development Incentives Project* had been added to the agenda.

Public Hearing and Adoption of Resolution for Economic Incentives Grant for Jowat Corp.

Kevin Franklin, RCEDC Existing Industries Coordinator, presented the following information on Jowat Corporation in Trinity, that is considering expansion and new job creation.

- Jowat has operations in Europe, America, Malaysia and Australia. The Trinity operation was established in 1979, and they have grown consistently over the last 34 years.
- The company manufactures and develops a large range of adhesive and chemical products: hot melt adhesives, dispersion adhesives, solvent based adhesives, as well as, primer products. The major market users are furniture manufacturers, graphic arts industries, packaging producers, as well as, textile, automotive, and electrical industries. They supply markets in North, Central, and South America from the Trinity plant.
- Today they employ 113 at their Trinity facility with annual payroll of \$6.6 million and the company is Trinity's largest taxpayer and largest employer.
- The company is experiencing substantial increased demand for their product and they are considering an expansion to increase production capacity to meet that demand.
- The first phase of the expansion plan is the expansion of one of the company's manufacturing facilities and the addition of new equipment. A portion of an existing facility will be demolished and an additional 9,000 square feet will be added. Building renovation and expansion cost is estimated at \$800,000 with equipment investment of \$3,000,000. Additional support infrastructure investment is \$900,000 for a total of \$4,700,000 in new capital investment.
- The project will create 14 new jobs with average annual wages of \$27,991 and will be completed in 24 months. The jobs will be production jobs as operators. The company has a full range of benefits.
- The company has requested consideration of economic incentives for this project. They are eligible for a building reuse grant from the NC Rural Center, funded at \$5,000 for each new full-time job for a total of \$70,000.
- Building Reuse Grants require a 5% match from local governments and that a unit of local government apply for and administer the grant. The City of Trinity has scheduled a public hearing the following evening to consider applying for the grant and to contribute 50% of the match contingent on Randolph County's approval of the remaining 50%.
- The total local match for this project is \$3,500, and 50% of the match is \$1,750.
- Mr. Franklin asked for the Board's consideration and approval of this match in partnership with the City of Trinity. Contingent on grant approval, Trinity will administer the grant and manage the contracts with the company and NC Rural Center.

- Using today's tax rate, the new tax revenues generated by this project in Randolph County would exceed \$45,848 over the first three years and generate up to \$400,000 in new income annually through direct job creation. The project would also position the company for additional growth in the future.

At 6:08 p.m., Commissioner Holmes opened the duly advertised public hearing. Hearing no comments, the public hearing was closed.

On motion of Frye, seconded by Haywood, the Board voted unanimously to adopt a Resolution approving \$1,750 to provide a one-half match for a Building Reuse Grant applied for by the City of Trinity on behalf of Jowat Corporation for expansion, as follows:

**RESOLUTION AUTHORIZING THE COUNTY OF RANDOLPH TO PROVIDE ONE-HALF
OF THE LOCAL MATCH GRANT REQUIREMENT FOR THE JOWAT ECONOMIC
DEVELOPMENT PROJECT**

WHEREAS, Section 158-7.1 of the North Carolina General Statutes authorizes a county to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand its operations within the county; and

WHEREAS, the North Carolina General Assembly has authorized funds to be used for stimulating economic development and job creation; and

WHEREAS, Jowat Corporation has stated its commitment to invest eight hundred thousand dollars (\$800,000) to expand and renovate an existing facility and to create fourteen (14) new jobs within twenty-four (24) months in the City of Trinity in Randolph County and to invest additional capital in new equipment; and

WHEREAS, the City of Trinity is considering a resolution to authorize the filing, by the City, of an application with the North Carolina Rural Economic Development Center for a Building Reuse Grant on behalf of an economic development project for Jowat Corporation; and

WHEREAS, said Grant requires a 5% local match from the local government making application; and

WHEREAS, the amount of the Grant that Jowat is eligible for is seventy thousand dollars (\$70,000), requiring a local match of three thousand five hundred dollars (\$3,500); and

WHEREAS, the City of Trinity has requested that Randolph County provide one-half of the required local match for this project, or one thousand seven hundred and fifty dollars (\$1,750); and

WHEREAS, the Board of Commissioners of Randolph County has held a public hearing to consider whether to participate in this project by providing the requested one-half of the local match of one thousand seven hundred and fifty dollars (\$1,750); and

WHEREAS, upon the completion by Jowat of this expansion project, Jowat will have expended eight hundred thousand dollars (\$800,000.00) to expand and renovate the facility it currently occupies, will have invested a considerable amount in equipment and will have created a minimum of fourteen (14) new full-time jobs in the County and City; and

WHEREAS, this economic development project will stimulate and stabilize the local economy, promote business in the County and City, and result in the creation of a number of jobs in the County and City; and

WHEREAS, the County has in its General Fund available revenues sufficient to fund this economic development project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Randolph County, this 17th day of June, 2013, as follows:

Section 1. The County is authorized to expend up to one thousand seven hundred and fifty dollars (\$1,750.00) of County funds to provide one-half of the required local match for the Building Reuse Grant applied for on behalf of Jowat Corporation by the City of Trinity.

Section 2. *Participation by the County in this economic development is expressly contingent upon the approval of the grant application and local match by the City of Trinity and upon subsequent grant approval by the North Carolina Rural Economic Development Center.*

Approval of Budget Amendment for Asheboro City Schools (Balfour) Project

Will Massie, Assistant County Manager/Finance Officer, stated that the Balfour School project is close to completion. The additional sales tax that will be received on the project needs to be accounted for.

On motion of Haywood, seconded by Kemp, the Board voted unanimously to approve Budget Amendment #2 to the Asheboro City Schools Capital Project Fund, as follows:

<i>Asheboro City Schools Capital Project Fund Balfour ECDC Project- Amendment #2</i>		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Sales Tax Refund</i>	<i>\$30,000</i>	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Construction</i>	<i>\$30,000</i>	

Discussion of Capital Improvement Plan

Will Massie, Assistant County Manager/Finance Officer, stated that during the past year the RCC Continuing Education and Industrial Center project was completed and the Balfour project is nearing completion leaving nothing on the Capital Improvement Plan and asked if the Board had any interest in discussing other projects with costs involved that needed to be planned for.

Commissioner Frye stated that he thought the Emergency Services Call Center and area ambulance bases were a priority, and said that no one has presented a plan or request for a bond referendum to fund any school system's needs. He also reminded the Board that additions to the jail have been requested by the Sheriff.

Commissioner Frye asked Mr. Massie about the process for bond referendums for projects. Mr. Massie said that county buildings and school projects could be separate referendums.

Commissioner Kemp reminded that Public Health had requested a new animal control facility, and Commissioner Frye said that it may be a possibility to divide costs over several years and would also allow the animal shelter supporters time for possible fundraising toward the project.

Mr. Massie stated no action was needed at this meeting, but Commissioners could discuss details now and direct any funds toward the planning and design of a call center or any other projects in this budget. Then drafts and estimates of costs of any of the facilities could be presented to the Board later.

Commissioner Frye stated that the new 9-1-1 Call Center and the serious need for the two new ambulance bases in the southern portion of the county should be considered after the completion of the sale of the existing Randleman base and construction of that replacement facility. Commissioner Frye stated that a major cost for additional bases would be in staffing the new bases 24/7.

Adoption of Departmental Fee Schedules

On motion of Frye, seconded by Kemp, the Board voted unanimously to adopt all departmental fee schedules, as requested and, as follows:

1. Ambulance (No requested change)
2. Building, Electrical & Plumbing Permits (No requested change)
3. Solid Waste Facility Tipping Fees – Increase in Wood Waste fee to \$50.00 and set the minimum fee for waste at the transfer station at \$10.00.
4. Health (No requested change.)

Approval of School Tax Rates

On motion of Haywood, seconded by Frye, the Board voted unanimously to set the Asheboro City Schools District Supplemental tax rate at \$0.1385 and to set the Archdale-Trinity Schools District Supplemental tax rate at \$0.09.

Approval of Rural Fire Protection Tax Districts and Fire Protection Service Districts Tax Rates

On motion of Frye, seconded by Haywood, the Board voted 4-1, with Lanier opposing, to set the following Fire Protection Tax District rates: Bennett—8¢, Climax—0.0¢, Coleridge—7.3¢, Eastside—9¢, Fairgrove—8¢, Farmer—7.5¢, Franklinville—10¢, Guil-Rand—0.0¢, Julian—10¢, Level Cross—11¢, Northeast—9¢, Randleman—10¢, Seagrove—10¢, Sophia—10¢, Southwest—10¢, Staley—10¢, Tabernacle—10¢, Ulah—6.1¢ and Westside—10¢; and Climax and Guil-Rand Fire Service Districts at 12¢ each.

Discussion and Adoption of FY 13-14 Budget and Budget Ordinance

The Board discussed funding for lead teacher positions with County School Superintendent Donald Andrews and the proposed six positions in DSS with DSS Operations Manager Richard Park.

Vice Chair Frye made a motion to adopt the proposed budget, except with the following changes:

Revenues and Other Financing Sources

Revenues:

Proposed Budget	\$113,051,373
• Reduction of Ad Valorem Taxes (reduce proposed rate by 1¢ from 63 to 62¢)	(996,540)
• Reduction of DSS grants for positions that were included in proposed budget	(41,612)
Final Approved Budget	\$112,013,221

Other Financing Sources:

Proposed Budget	405,020
• Increase in Appropriated Fund Balance	1,411,634
Final Approved Budget	1,816,654
Total General Fund:	\$113,829,875

Expenditures and Other Financing Sources

Expenditures:

Proposed Budget	\$111,323,606
• 1.5% COLA for County Employees, eff. 7/1/12	523,500
• Reduction of requested six DSS positions included in proposed budget	(272,518)
• Capital Outlay (vehicle for Planning & Zoning) @	22,000
• Capital Outlay (Sheriff's Department) @	<u>100,500</u>
Final Approved Budget	\$111,697,088

Other Financing Uses:

Proposed Budget	<u>2,132,787</u>
Total General Fund:	\$113,829,875

Commissioner Haywood asked Vice Chair Frye if he would consider dropping the tax rate another cent and using more of fund balance, stating that he can't ask citizens to pay more.

Commissioner Kemp said that the County has used fund balance for the past several years, leaving only two and half months' worth of operating funding and that he doesn't see that we can go any further in using those funds to take care of the shortfall.

Vice Chair Frye amended his motion to adopt the proposed budget, except with the following changes, as follows:

Revenues and Other Financing Sources

Revenues:

Proposed Budget	\$113,051,373
• Reduction of Ad Valorem Taxes (reduce proposed rate by 2¢ from 63 to 61¢)	(1,993,080)
• Reduction of DSS grants for positions that were included in proposed budget	<u>(41,612)</u>
Final Approved Budget	\$111,016,681

Other Financing Sources:

Proposed Budget	405,020
• Increase in Appropriated Fund Balance	<u>2,408,174</u>
Final Approved Budget	<u>2,813,194</u>
Total General Fund:	\$113,829,875

Expenditures and Other Financing Sources

Expenditures:

Proposed Budget	\$111,323,606
• 1.5% COLA for County Employees, eff. 7/1/12	523,500
• Reduction of requested six DSS positions included in proposed budget	(272,518)
• Capital Outlay (vehicle for Planning & Zoning) @	22,000
• Capital Outlay (Sheriff's Department) @	<u>100,500</u>
Final Approved Budget	\$111,697,088

Other Financing Uses:

Proposed Budget	<u>2,132,787</u>
Total General Fund:	\$113,829,875

Commissioner Haywood seconded the motion, and the Board voted 3-2, with Kemp and Lanier opposing, to adopt the FY 2013-2014 Budget Ordinance (which follows below), as proposed by the Manager, but with the above changes in italics, and which includes setting the Ad Valorem Tax Rate at 61 cents per \$100 valuation:

<u>Totals:</u>	<i>2013-2014 Proposed Budget.....</i>	<i>\$113,456,393</i>
	<i>Commissioner Changes.....</i>	<u><i>373,482</i></u>
	<i>Total Final Adopted 2013-2014 Budget:</i>	<i>\$113,829,875</i>

Be It Ordained by the Board of Commissioners of Randolph County, North Carolina:

Section 1. The following amounts are hereby appropriated in the General Fund of Randolph County for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

General Government:

Governing Body	\$ 139,363
Administration	3,112,822
Information Technology	1,575,809
Tax	2,369,380
Elections	418,734
Register of deeds	701,607
Public Buildings	2,280,925

Public Safety:

Sheriff	15,588,364
Emergency Services	5,856,843
Building Inspections	658,839
Day Reporting Center	536,204
Other Public Safety Appropriations	246,134

Economic and Physical Development:

Planning and Zoning	631,027
Cooperative Extension Service	467,987
Soil and Water Conservation	187,713
Other Economic and Physical Development Appropriations	1,229,338

Environmental Protection:

Public Works	2,750,938
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Human Services:

Public Health	5,547,131
Social Services	19,704,969
Veteran Services	90,864
Child Support Enforcement	1,033,792
Other Human Services Appropriations	2,364,312

Cultural and Recreational:

Public Library	1,824,812
Other Cultural and Recreational Appropriations	20,000

Education	27,592,041
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Debt Service	14,767,140
Other Financing Uses:	
Interfund Transfers Out	2,132,787
Total	\$113,829,875

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Ad Valorem Property Taxes	\$ 62,368,940
Local Option Sales Taxes	17,020,000
Other Taxes	1,360,000
Unrestricted Intergovernmental	405,000
Restricted Intergovernmental	19,378,915
Permits and Fees	961,314
Sales and Services	9,104,163
Investment Earnings	85,000
Miscellaneous	333,349
Other Financing Sources:	
Appropriated Fund Balance	2,757,569
Interfund Transfers In	55,625
Total	\$113,829,875

Section 3. The following amounts are hereby appropriated in the Emergency Telephone System Fund of Randolph County for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

E-911 System	Total	\$ 515,229
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Section 4. It is estimated that the following revenues will be available in the Emergency Telephone System Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

NC 911 Board Distributions	\$ 459,167
Investment Earnings	2,000
Appropriated Fund Balance	54,062
Total	\$ 515,229

Section 5. The following amounts are hereby appropriated in the Landfill Closure Fund of Randolph County for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Solid Waste Management	\$ 186,500
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Section 6. It is estimated that the following revenues will be available in the Landfill Closure Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Investment Earnings	\$	1,000
Appropriated Fund Balance		185,500
Total	\$	186,500

Section 7. The following amounts are hereby appropriated in the Fire Districts Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Tax Distributions	\$	7,111,386
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Section 8. It is estimated that the following Fire District revenues will be available during the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Ad Valorem Property Taxes	\$	7,111,386
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Section 9. The following amounts are hereby appropriated in the Water Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Purchase of Water	\$	1,744,437
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Section 10. It is estimated that the following Water Fund revenues will be available during the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Bulk Sale of Water	\$	222,650
Transfer from General Fund		1,521,787
Total	\$	1,744,437

Section 11. There is hereby levied for the fiscal year beginning July 1, 2013 and ending June 30, 2014, a county-wide tax rate of \$ 0.61 per \$100 valuation of estimated taxable property situated in the County. The ad valorem tax is based on a total estimated property valuation of \$10,200,000,000, with an expected collection rate of 97.7%.

Section 12. For the fiscal year beginning July 1, 2013 and ending June 30, 2014, there is hereby levied in the County of Randolph a dog license fee at the rate of \$3.50 per dog.

Section 13. There is hereby levied for the fiscal year beginning July 1, 2013 and ending June 30, 2014, the following School District tax rates per \$100 valuation of estimated taxable property situated in the special district. These levies are for the purpose of raising revenues to supplement school programs within each respective district.

	Net Valuation	Tax Rate
Fire District	Estimated	Approved
Asheboro School District	\$ 2,179,139,054	\$ 0.1385

Archdale-Trinity School District	\$ 2,345,820,290	\$ 0.0900
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Section 14. There is hereby levied for the fiscal year beginning July 1, 2013 and ending June 30, 2014, the following tax rates for Rural Fire Protection Districts, per \$100 valuation of estimated taxable property situated in the special district. These levies are for the purpose of raising revenues for fire protection within each respective district.

Rural Fire Protection District	Net Valuation Estimated	Tax Rate Approved
Bennett Fire District	\$ 39,702,446	0.080
Climax Fire District	\$ 455,449,063	0.000
Coleridge Fire District	\$ 238,730,856	0.073
Eastside Fire District	\$ 458,106,110	0.090
Fairgrove Fire District	\$ 381,843,444	0.080
Farmer Fire District	\$ 208,057,613	0.075
Franklinville Fire District	\$ 474,749,661	0.100
Guil-Rand Fire District	\$ 2,009,612,678	0.000
Julian Fire District	\$ 85,877,885	0.100
Level Cross Fire District	\$ 220,027,165	0.110
Northeast Fire District	\$ 128,813,004	0.090
Randleman Fire District	\$ 241,142,231	0.100
Seagrove Fire District	\$ 194,115,396	0.100
Sophia Fire District	\$ 129,214,383	0.100
Southwest Fire District	\$ 83,518,454	0.100
Staley Fire District	\$ 152,915,322	0.100
Tabernacle Fire District	\$ 345,032,376	0.100
Ulah Fire District	\$ 555,621,880	0.061
Westside Fire District	\$ 660,048,022	0.100

Section 15. There is hereby levied for the fiscal year beginning July 1, 2013 and ending June 30, 2014, the following tax rates for Service Districts for Fire Protection, per \$100 valuation of estimated taxable property situated in the special district. These levies are for the purpose of raising revenues for fire protection within each respective district.

Fire Service District	Net Valuation Estimated	Tax Rate Approved
Climax Fire District	\$ 455,449,063	0.120
Guil-Rand Fire District	\$ 2,009,612,678	0.120

Section 16. Pursuant to the requirements of North Carolina General Statute §159-9, the County Manager is appointed to serve as Budget Officer. The County Manager and the Assistant County Manager, as his designee, are hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. The Budget Officer, or his designee, may transfer amounts between line item expenditures within a department without limitation and without a report being required.
- b. The Budget Officer, or his designee, may not transfer amounts between departments of the General Fund or between funds, except as approved by the Board of County Commissioners in the Budget Ordinance, as amended.

Section 17. The Budget Officer, or his designee, may make cash advances between funds for periods not to exceed one hundred eighty days without reporting to the Board of Commissioners. Any advances that extend beyond one hundred eighty days must be approved by the Board. All advances that will be outstanding at the end of the fiscal year must be approved by the Board.

Section 18. Copies of this Budget Ordinance shall be filed with the Clerk to the Board of Commissioners of Randolph County and furnished to the Assistant County Manager/ Finance Officer for direction in the collection of revenues and the expenditure of amounts appropriated.

Section 19. This Budget Ordinance will be effective on July 1, 2013.

Upon motion of Commissioner Frye, seconded by Commissioner Haywood, the foregoing Budget was passed with the following vote:

Ayes: Commissioner Darrell Frye
Commissioner Stan Haywood
Commissioner Harold Holmes

Noes: Commissioner Phil Kemp
Commissioner Arnold Lanier

Adjournment

There being no further business, the Board adjourned at 7:36 p.m.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Stan Haywood

Arnold Lanier

Amanda Varner, Deputy Clerk to the Board